

Message Text

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45

ACTION EB-11

INFO OCT-01 AF-10 ISO-00 ABF-01 FSE-00 PA-04 PRS-01 USIA-15

AID-20 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 RSC-01

TRSE-00 XMB-07 OPIC-12 SP-03 CIEP-02 LAB-06 SIL-01

OMB-01 CEA-02 DRC-01 /111 W
----- 095646

R 100940Z JUN 74

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 0017

INFO AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMCONSUL JOHANNESBURG

UNCLAS PRETORIA 2446

E.O. 11652: N/A

TAGS: EFIN, SA

SUBJ: CENTRAL BANKING URGING FOREIGN LOANS

REF: PRETORIA 2425

1. ON JUNE 6, SA RESERVE BANK ANNOUNCED THAT IT "IS PREPARED TO VIEW FAVORABLY ANY APPLICATION BY LOCAL ENTREPRENEURS TO BORROW ABROAD FOR A PERIOD OF NOT (RPT NOT) LESS THAN ONE YEAR". LOANS MUST BE FOR "MANUFACTURING AND OTHER PRODUCTIVE PURPOSES, BUT NOT (RPT NOT) FOR PROPERTY DEVELOPMENT."

2. SARB REGULATIONS PREVIOUSLY AUTHORIZED FOREIGN BORROWING FOR STOCKS AND NORMAL TRADING ACTIVITIES. LATEST ANNOUNCEMENT OPENS DOOR TO FOREIGN BORROWINGS FOR CAPITAL EQUIPMENT AND EXPANSION. HITHERTO, AUTHORIZATION FOR LATTER HAD BEEN EXTREMELY DIFFICULT.

3. COMMENT: AS INDICATED REFTTEL, SARB CONCERNED ABOUT DECLINING GOLD AND FOREIGN EXCHANGE RESERVES. CLEARLY HOPE IS THAT WITH TIGHT DOMESTIC MONEY SITUATION AND NARROWED DISCREPANCE BETWEEN SA AND FOREIGN INTEREST RATES, COMPANIES NEEDING MONEY
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FOR EXPANSION WILL BORROW OVERSEAS AND DRAW MONEY INTO COUNTRY.

HURD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENT, LOANS, REAL PROPERTY ACQUISITION, DEVELOPMENT LOANS, INTEREST RATES
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Copy: SINGLE
Draft Date: 10 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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Handling Restrictions: n/a
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Review Comment: n/a
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Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 AUG 2002 by PhilliR0>; APPROVED <09 JAN 2003 by martinjw>
Review Markings:

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30 JUN 2005

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